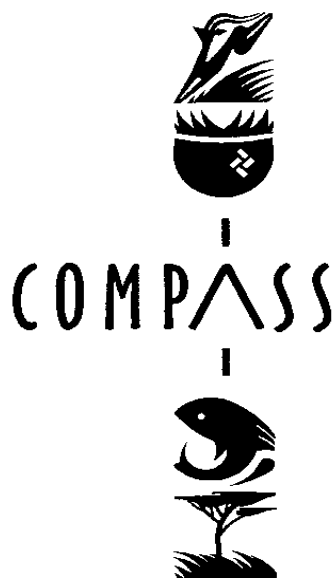




SMALL GRANTS MANUAL

**DOCUMENT 2
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Community
Partnerships for
Sustainable
Resource
Management in
Malawi

Small Grants Manual

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COMPASS SMALL GRANT PROGRAM MANUAL

A. GENERAL GUIDELINES

1.0 BACKGROUND

In Malawi, there are numerous projects and entities involved in community based natural resource management (CBNRM). Many of the programs have different objectives, methods of administration and technical approaches. Each is typically supported by a different donor in a particular geographic location and often with a different government agency involved. Communications between the programs are weak, which means that constraints to the broader adoption of CBNRM are inadequately addressed. Another key constraint to the promotion of CBNRM is the limited availability of people with the necessary skills to train others in the various competencies required to initiate and maintain CBNRM activities. This applies to communities, to the Non-Governmental Organizations (NGOs), the private sector and to all levels of Government extension network. Within this context, COMPASS has been developed to strengthen the institutional framework in which CBNRM programs are designed, implemented, monitored and evaluated.

2.0 COMPASS WORK STATEMENT

COMPASS is an activity funded by the United States Agency for International Development (USAID) and implemented by Development Alternatives Incorporated (DAI). It is designed to lead to improved performance of present and future CBNRM field programs.

The COMPASS Targeted Results (TRs) are:

1. Establishing effective CBNRM administrative and technical services capacity;
2. Establishing functioning liaison, communication and information exchange mechanism(s) between and among CBNRM programs;
3. Improving community mobilization skills within Government, NGOs and community groups;
4. Supporting the process of policy and legislative reform in favor of CBNRM; and
5. Establishing limited CBNRM grant management services to finance special CBNRM opportunities.

The purpose of this manual is to support the activities under Targeted Result No. 5.

3.0 GRANT OBJECTIVES

The objectives of Target Result No. 5, the Small Grants Program are:

1. To promote the sustainable use of natural resources;
2. To develop replicable models for promoting sustainable CBNRM initiatives; and
3. To provide assistance to viable natural resource management proposals that are not likely to be funded by other programs.

4.0 LIMIT OF GRANT

The value of grants is up to \$10,000.00. However, other proposals supported by strong justification and promising results could be considered for funding greater than \$10,000.

5.0 ELIGIBLE GRANTEES

The small grants program is community focussed. By this we mean initiatives that are conceived, designed and implemented for the direct benefit and active participation of the local community. Organizations that could be eligible for funding include: Community Groups, Local Associations,

Private Enterprises, National and International NGOs and Government agencies. Within the context of this document, NGOs and government agencies are viewed as "service providers" to the communities. If service providers are to be used, their roles will be specifically focussed on assisting the communities developing and implementing NRM activities.

6.0 PRIORITY GRANT ACTIVITIES

Priority activities for funding are in two categories: (1) natural resources management, and (2) capacity building that supports CBNRM activities.

Category 1: Natural Resources Management (the following is merely an illustrative list of activities that could be funded, others could be eligible as well).

- Co-management of natural resources (collaborative management arrangements between Government and community to manage natural resources on public and customary land);
- Conservation and rehabilitation of natural forests and woodlands;
- Conservation of wetland resources;
- Improvement of water quality;
- Reducing soil erosion;
- Fish stock management;
- Management of endangered or protected wildlife;
- Eco-tourism ventures; and
- Organic farming.

Category 2: Capacity Building that Supports a Specific CBNRM activity.

This could include, organizational development, improving communications, development of strategic plans, staff training, exchange visits, as well as others.

7.0 INELIGIBLE OR QUESTIONABLE ACTIVITIES

All project activities must be in compliance with Malawi laws to be considered eligible for funding. When developing the proposal, the applicant should answer the following questions to determine if an activity within the project is either ineligible for funding or would require special consideration. Activities that would probably be ineligible could include those that answer yes to any one of the following questions: "Will the activity..."

- Threaten endangered or protected flora and fauna?
- Threaten fishery resources?
- Decrease levels of agricultural production?
- Lead to the degradation of human habitat (physical, social, health)?
- Promote excessive tree cutting?

Other types of activities will require a more detailed analysis. "Will the activity..."

- Lead to the possible loss of biodiversity?
- Potentially degrade or deplete water resources?
- Negatively contribute to climate change?
- Involve the use of pesticides?

8.0 INSTITUTIONAL CHARACTERISTICS OF ELIGIBLE ORGANIZATIONS

Institutional Status: The organization applying for a grant could be a newly formed group, or one, which is a firmly established organization.

Official Recognition: The organization must have an official registration or at least formal recognition by the Malawi Government or under any program arrangement.

Administrative and Logistical Capacities: At the time the grant is awarded, the organization must have a capacity for competent fund administration. For new organizations, COMPASS will provide the necessary training.

Grass-roots Based Orientation: If the organization is not a Community Based Organization (CBO), it must have a positive working relationship with the local community, and the applicant must demonstrate that the activity has community support.

9.0 TECHNICAL CRITERIA FOR THE PROPOSALS

The following technical criteria will be used to screen project proposals submitted for funding:

Sustainability: The activity must demonstrate that it is socially and ecologically sustainable.

Environmental criteria: The proposed activity must be without risks of triggering environmental degradation.

Technical criteria: The proposal must be technically feasible. This should be shown in the proposal by a step-by-step description of the tasks, materials, and labor required to complete planned activities. *The technology chosen for project activities must be appropriate to the needs and capabilities of the community.*

Complementarity: If there are other similar ongoing activities in the community, the proposal must demonstrate how the planned activities will not be in conflict with the other projects.

10.0 SOCIAL CRITERIA FOR THE PROPOSAL

The grant-funded projects will be implemented largely by the communities themselves, and assisted by NGOs, government or other agencies as needed. Several of the key guiding principles in relation to the program include community participation, gender sensitivity and social equity.

Community Participation: The community must be actively involved from the start in all phases of the project (opportunity identification, project design, implementation and evaluation).

Gender Sensitivity: In the interest of sustainability, proposed grant activities must integrate into the main processes of decision making, activity implementation and sharing of costs and benefits, the roles and responsibilities of men, women, the elderly and youth in a properly balanced manner. This will ensure active participation in the management of the grant activity by all gender groups.

Social Equity: The project must ensure that the benefits from any project activities should accrue to the community proportionately to the levels of individual input.

11.0 GENERAL CRITERIA FOR THE PROPOSAL

Simplicity: The proposed activities should be simple, clear and straightforward in their ability to address specific needs developed by the communities.

Avoidance of Risk: The proposed activities must not engender externalities that have the potential to affect certain sub-groups within the community (for example, fishers, wood carvers, basket weavers, smallholder farmers, etc.) in a negative way.

Use of Local Resources: Proposed activities should use a maximum of local resources and a minimum of non-local or imported resources. The necessity to use imported resources must be demonstrated.

Process Orientation with Tangible Results: COMPASS will actively support proposals that focus on the process of capacity building while striving to achieve tangible results.

Local Participation: The proposed activities should demonstrate that the community has been involved in all phases of the project.

Self-Reliance: The proposed activity should increase the self-reliance of the community.

Continuity: The proposed activity must be such that it can continue to provide benefits to the community after the project funding has ended without reliance on additional external funding.

Monitoring: With the assistance of COMPASS, the participating community should adopt a community-based system of monitoring performance and impact.

Proportionality: The scale of the activity and the level of technology should, in a relative sense, determine the amount of funds that will be required to implement the activity. Similarly, the relative size of grant should reflect the number of beneficiaries in the community as well as the nature of the activity. Furthermore, consideration must be taken to ensure an equitable distribution of benefits: in general, those who put in the most time, effort and resources should realize most benefits.

Targeting: The proposal should explain how it relates to community groups that have the greatest impact on the environment (for example, farmers cultivating on steep slopes, charcoal makers, brick makers, fishermen, poachers, and woodcutters).

B. FORMAT FOR PROPOSAL SUBMISSION

The following format is suggested as a model for a grant request. The proposal procedures have been broken down into two steps. The first is the Project Concept. The outline for this is simple and straightforward. The second step is the completion of the Project Description. Guidelines for completing the Project Description are contained below in section 13.0.

12.0 PROJECT CONCEPT FORM

The purpose of the Project Concept Form (Annex 1) is to highlight the key steps to be considered when developing a project proposal. It is designed to provide COMPASS with a rapid means to assess the eligibility of a particular proposal as well as the capacity of the organization to carry out the work.

13.0 DESCRIPTION OF PROJECT

The following is a list of factors that need to be incorporated into the project proposal.

1. **Project Title:** Name by which the project will be known.
2. **Goal:** What is the goal of the project? The goal is the ultimate aim of the project.
3. **Objectives:** What are the objectives of the project? The objectives should state the specific anticipated outcomes of the project. What is expected to happen as a result of the project? What will

be different? What will change? List as many objectives as are needed to give a complete picture of the project. Objectives should always be clearly stated. As much as possible, quantify the expected outcomes.

4. **Description of Area:** Briefly describe the location (district, county, etc.) the area (village, farm, other), the geography (climate and ecology), population (farmers, fishermen, herders, woodcutters, etc.), and any other important information about the project area.

5. **Environmental Situation and Natural Resource Management Issues:** Briefly describe the environmental situation and natural resource management issues in the proposed project area. Please note any problems related to the environment and natural resource management. An Initial Environmental Screening form (Annex 4) is designed to assist the communities in this exercise. This form needs to be completed as part of the application process. If issues are identified, a short (1-2 page) Environmental Review will be carried out for the particular activity. The outline for the Environmental Review is presented in Annex 5. Both Annex 4 and 5 are to be part of the final proposal that is submitted to COMPASS.

6. **Institutional Context:** Are the activities of other international, national, regional and local institutions working in the area, both public and private, relevant to the proposed project? Is this project new or is it an extension or diversification of an already existing project?

7. **Project Duration:** Indicate the estimated project starting date and approximate implementation period. State whether or not the activity is seasonally sensitive.

8. **Beneficiaries:** Briefly describe the target group(s).

9. **Previous Activities:** Has the applicant been involved with managing projects before. If yes, answer the following questions: What were the objectives of the project; Who funded the activity; Was it a grant or a loan; What was the approximate amount of the grant or loan?

10. **Methodology and Implementation Plan:** Provide a narrative presentation, which explains how the project will be organized and managed. Each objective should have a brief implementation plan that describes exactly what activities will be conducted, and it clearly states the necessary indicators that will be used to monitor progress. This should also include who is responsible for each activity within the project (including financial management), and the expected amount of time to achieve the objective. The text should also include information about the technical and resource needs, project feasibility, community participation, and project monitoring.

- Technical resource requirements can be grouped into three categories: labor, goods and materials, and technical/support services. The proposal should clearly state the level of anticipated resources that will be used during the life of the project.
- Project feasibility needs to explain why the technology chosen is best for the situation, how the technology was chosen, and what other alternatives were considered. This section also needs to describe how the community developed the idea for the project, if the project makes use of participant skills and local resources, and the kind of contributions that are to be made by the community.
- Finally, the proposal needs to include a section on project monitoring, evaluation and reporting. A monitoring and evaluation program allows the community to continuously monitor the project's development and keep activities on track, or make any necessary changes to achieve the projects goal. The grant recipients will carry out monitoring and evaluation with the assistance of COMPASS staff.

11. **Budget:** Provide an itemized budget estimate according to the following categories:

- Person Emoluments (e.g. allowances, fees, wages of people employed to carry out specific project tasks).
- Goods (material items to be procured, and the procurement procedures).
- Services (technical assistance or training).
- Miscellaneous expenses.
- Include a budget narrative that explains the various costs indicated in the budget, and the plan for the procurement of goods and services. Local input should also be indicated here, specifying the type (cash or in-kind), amount and estimated value.

An example of a suggested budget format is included as Annex 2 of this document.

12. **Cost Sharing:** Efforts to share costs are strongly encouraged: this can be accomplished in several ways. The commonest being (a) grantees contribution, (b) donors co-financing arrangements or (c) institutional collaboration and cost sharing.

- Grantees contribution can be in a form of land that they have accepted to be used for the project, their labor or other resources that they can make available to the project.
- By mutual agreement, donors may agree to fund separate components of the same project. For example, one donor may agree to fund field services while the other may agree to fund construction of a training block.
- Under institutional collaboration, the COMPASS Activity may make special arrangements with an NGO or government agency to enable required technical staff to offer services to COMPASS grantees as part of the officer's normal duties.

Small grant applicants should indicate the cost sharing arrangement that is possible to them.

C. COMPASS PROCEDURES

This section covers COMPASS procedures from the time the Project Concept is submitted to the time that the grant is closed out.

14.0 PROPOSAL REVIEW PROCESS

The COMPASS review process includes the following steps:

1. COMPASS reviews the Project Concept within one week of its reception. Once a decision has been made, COMPASS will notify the applicant. If the Project Concept is approved by COMPASS, the applicant will be requested to develop a full project proposal. If needed, COMPASS personnel will be available to assist the applicant with proposal development.
2. Once the proposal is submitted to COMPASS, it will be directly distributed to the Review Panel who will have three weeks to respond. Once the Review Panel and COMPASS have taken a final decision, the applicant will be notified. The maximum amount of time, from the moment that the proposal has been received by COMPASS to the moment that outcome notification is sent to the applicant, will be one month.
3. If the proposal is accepted, COMPASS will propose a date to conduct a field appraisal. The date will be included in the notification letter. In the event of a negative decision by the Review Panel, the applicant may modify or change the proposal and reapply to COMPASS.

4. Once a proposal is approved, COMPASS staff will conduct a field-based project appraisal to acquire a greater understanding of the project and to determine the prospective grantee's ability to execute that activity. The appraisal team will conduct a complete review of the technical and institutional feasibility of the grant and budget. Part of the review will also ensure that the project accountant is prepared to keep and maintain separate financial records for COMPASS grant funds. Manual records at the project office should incorporate the following:

Cash Book: Records all receipts and payments for the account, indicating payer or payee, payment voucher number and income or expense category.

Petty Cash Book: Records all receipts and payments of cash, indicating payer and payee, voucher numbers and income or expense category.

Asset/Stock Ledger: Records receipts and issues of stock, the remaining balance and to be used as a comparison with physical stock count figures.

The organization should open a separate bank account for grant transactions and easy monitoring of the grant. No other funds, from any source and for any reason, may be deposited into this project account. Once the appraisal is satisfactorily completed, the grant agreement will be signed by both parties at a mutually agreed upon time.

15.0 GRANT REPORTING

Every three months the grantee is required to submit a progress report. The report includes a short (1-page) narrative, which covers physical achievements in implementing project activities. The quarterly report will also include a financial report (Form 1) and a summary of the physical stock inventory. The inventory summary will be taken from the Stock Ledger. The Stock Ledger should include the description of the items and their quantity, the date of acquisition, the original value and the location.

Comments on the Progress Report (Form 1) may include the following topics:

- Impediments or constraints encountered during project/activity; and
- Actions that must be taken to facilitate attainment of project/activity outputs.

At the end of the project a more detailed report (5 pages) will be submitted within thirty days after the close of the reporting period.

16.0 MONITORING AND EVALUATION

Monitoring and evaluation activities under the COMPASS program will be done in several ways. First, during the proposal design phase, COMPASS personnel will provide technical assistance in developing reasonable impact indicators. The indicators will be designed to help the applicant more effectively monitor project progress during the life of the grant. Second, COMPASS will assist the grantee in assuring that gender related issues are incorporated into the implementation and reporting of activities. These records will be available for inspection by COMPASS staff any time during the life of the project and thereafter, as may be required. This would include the disaggregation of project data by gender. Third, if the applicant has indicated a positive (yes) response to any of the questions listed in the Initial Environmental Screening (IES), the COMPASS staff will work with the applicant in completing the necessary Environmental Review (ER). Finally, COMPASS will be responsible for organizing and conducting the final evaluation of project activities. This will be a comprehensive review of all project activities, including financial and stock management, and will be used to assist the grant recipient with the development of their final report.

D. CONTRACTING

17.0 GRANT AGREEMENT

A copy of a sample COMPASS Activity (DAI) Grant Agreement can be found in Annex 3.

18.0 FUND DISBURSEMENT

Disbursement of funds is contingent on the existence or establishment of an acceptable accounting system and the opening of a special grant bank account. This account will be opened with grant funds. Three signatories of the project account must be selected in advance of the first disbursement of project funds. Development Alternatives, Inc. (DAI) will disburse funds to grantees based on the approved activity schedule and budget; the disbursement schedule is elaborated in the Grant Agreement (Annex 3).

ANNEX 1

PROJECT CONCEPT PROPOSAL FORMAT

(Solicitation Form)

1: Name of Organization:
2: Project Title:
3: Project Goal:
4: Project Objectives:
5: Expected Outputs (include anticipated amount of time it will take to achieve project outputs):
6: Relationship with On-going Activities/Projects:
7: Targeted Beneficiaries:
8: Location (include address, telephone number and name of contact person):
9: Duration:
10: Total Estimated Cost (MK):

ANNEX 2

SUGGESTED BUDGET FORMAT

Budget Item	YEAR: 200				
	1 st Qtr (MK)	2 nd Qtr (MK)	3 rd Qtr (MK)	4 th Qtr (MK)	Total (MK)
1. Personal emoluments					
• Incidentals allowances					
• Casual labor payments					
• Meal allowances					
• Other (specify)					
<i>Sub-Total</i>					
2. Goods and other materials					
• Equipment					
• Implement / Tools					
• Inputs					
• Stationery					
• Office equipment					
• Consumable stores					
• Other (specify)					
<i>Sub-Total</i>					
3. Services					
• Staff training					
• Community training					
• Hiring of consultants					
• Tours / Exchange visits					
• Demonstrations					
• Campaigns					
• Media production					
• Other (specify)					
<i>Sub-Total</i>					
4. Management and Administration					
• Banking expenses					
• Meetings					
• Supervision (monitoring)					
• Accommodation and travel					
• Hospitality					
• Other (specify)					
<i>Sub-Total</i>					
TOTAL					

ANNEX 3

GRANT AGREEMENT TEMPLATE

Grant No. _____

This Grant Agreement ("Agreement") is between:

Grantee Name :
(the "Grantee")

Postal Address:

Electronic Addresses:

Telephone:

Fax:

E- mail:

a (type of organization) _____, and **Development Alternatives, Inc.** ("DAI"), 7250 Woodmont Avenue, Suite 200, Bethesda, Maryland 20814, United States of America. Funds for this grant are made available through DAI/COMPASS, funded by United States Agency for International Development ("USAID") through Contract No.690-C-00-99-0016-00: Activity 612-0248 with DAI.

I. Amount and Use of Grant Funds

DAI/COMPASS grants US\$_____ and any interests earned on cash advance to the Grantee to conduct the activities referred to in Paragraph III below. The Grantee agrees to use these grant funds only for activities detailed in the Project Proposal.

II. Grant Period

The activities to be performed by the Grantee under this Agreement are expected to be initiated on or about (mm/dd/yy) _____ and to be completed on or about (mm/dd/yy) _____. These dates may be amended in writing by mutual agreement.

III. Purpose of Grant

This Grant is being made by DAI/COMPASS in response to the Grantee's written proposal dated (revised date) titled _____ ("Proposal"), that describes the project activities to be performed with grant funds. The proposal is part of this Agreement, and is available for inspection at DAI/COMPASS offices in Blantyre, (Phekani House on Glyn Jones Road).

A summary of project activities follows:
(insert half a page description of grant)

Any changes to the budget and itemized list of materials and services to be procured as specified in the approved proposal must receive prior approval, in writing, from COMPASS based on a written request from the grantee to make such changes. The sums allocated to specific lines of the budget cannot be exceeded without written authorization from COMPASS. Any unexpended funds resulting from cost-savings or changes in the quantity of materials or services procured cannot be reallocated to other budget items or be used for any other expenditures without the prior written authorization of COMPASS.

IV. Monitoring and Evaluation

The Grantee agrees to collaborate with DAI/COMPASS to establish grant monitoring and evaluation standards for COMPASS activities. In this regard, the COMPASS staff will attend training events, interview participants, and participate in other relevant activities that could help link this grant activity to other on-going COMPASS activities. DAI/COMPASS may then choose to share this information with others interested in community-based natural resources management projects.

V. Payment

DAI will pay the Grantee on an advance basis. Requests for advance payment shall be limited to the Grantee's anticipated expenditures for up to three-month period.

The first advance payment of grant funds will be made after DAI receives the Grantee's signed copy of this Agreement and a completed advance payment request using Form 4. For subsequent payments, the Grantee must complete and forward to DAI Form 4 as well. DAI will not advance payment of grant funds without a completed advance payment request and a current financial and performance related progress reports, as described in Paragraph VII of this Agreement.

Within 90 days after termination of this Agreement, the Grantee must also complete and forward to DAI a final accounting of grant funds using Form 2.

VI. Financial Records Relating to Grant

The Grantee must maintain accurate records and accounting books, which document:

- All deposits and withdrawals of DAI grant funds from the bank account;
- All receipts and expenditures of grant funds; and
- Interest earned on such funds.

Annex 6 provides an example of how such reports should be prepared.

The Grantee agrees to make available to DAI and USAID all records and accounting books related to the grant. All records must be maintained for three years following date of the submission of the final financial report.

Interest earned on cash advance may be retained by the Grantee for administrative expenses. All interest earned and use of such funds must be reported on Forms 2 as part of the regular quarterly reporting requirements. The Grantee agrees to return to DAI/COMPASS any grant funds and interest earned that are not used for or committed to grant activities during the grant period.

VII. Reports

During this Agreement, the Grantee shall provide DAI/COMPASS with narrative quarterly progress reports. The first report is due on: _____. Subsequent progress reports are to be submitted to COMPASS, *every three months*, no later than 30 days after the quarterly report is due. The narrative report will also be accompanied by a progress report of project impact indicators (Form 1).

During this Agreement the Grantee shall also provide DAI/COMPASS with financial reports using Form 2. This form is part of the quarterly progress report. Advances of grant funds will be made only after satisfactory performance related and financial progress reports have been provided to DAI/COMPASS. The Grantee agrees to make available to DAI/COMPASS or USAID all grant-related records and documents that may be requested.

VIII. Liability

DAI/COMPASS does not assume liability for third party claims for damages arising out of this grant which are not under its control or supervision.

IX. Amendments to Agreement: Termination

This Agreement may be modified or amended by written mutual agreement signed by both parties. Any mutually agreed upon change to this Grant Agreement will be written in the form of an Amendment to this Grant Agreement, and would automatically become part of the Grant Agreement at that time.

If DAI/COMPASS determines that the grantee has not followed the provisions of this Grant Agreement, DAI/COMPASS has the authority to terminate this Grant Agreement at any time. Termination of the Grant Agreement must be put in writing. Similarly, if for any reason the grantee wishes to terminate the Grant Agreement, they must do so in writing.

Upon such termination, the Grantee shall immediately cease using all grant funds in its bank account, except with the written authorization of DAI/COMPASS, to pay prior commitments incurred with DAI funds. No new commitments shall be made without DAI/COMPASS prior written approval. All unspent grant funds and interest shall be returned to DAI/COMPASS within ninety (90) days after termination of this Agreement, along with the progress reports referred to in Paragraph VII of this Agreement.

If USAID deems it in the interest of the United States Government to terminate its contract with DAI/COMPASS, DAI/COMPASS may terminate this grant by giving the Grantee thirty (30) days notice in writing. USAID may also request DAI/COMPASS to terminate this grant unilaterally in extraordinary circumstances by giving the Grantee thirty (30) days notice in writing.

X Bank Details

Name of Bank:.....

Branch Name:.....
 Address:.....
 Phone No.....
 Fax No.....

Account Name:.....

Account Number:.....

XI Signatories

1. Name of First
Signatory:.....Signature:.....Date:.....

Title :.....
2. Name of Second
Signatory:.....Signature:.....Date:.....

Title:.....
3. Name of Third
Signatory:Signature:.....Date:.....

Title:.....

DEVELOPMENT ALTERNATIVES, INC.

By:.....
Dr. Andrew Watson (DAI Representative)
Chief of Party

Date:.....

ANNEX 4

INITIAL ENVIRONMENTAL SCREENING FORM

Please review and answer the following questions when preparing the project proposal. This list is designed to assist your group assess the potential links between the proposed activities and the environmental conditions of the project area. If any of the questions are answered yes, then a short Environmental Review will be carried out for that particular activity by project/community personnel and COMPASS personnel. The questions are broken down into four areas: Natural Resources, Ecosystems and Biodiversity, Agricultural Production and Community Social issues.

1. Natural Resources

YES	NO	Will the activities....
		accelerate erosion by water or wind, reduce soil fertility and/or permeability?
		alter existing stream flow, reduce seasonal availability of water resources; potentially contaminate surface and ground water supplies?
		involve the extraction of non-renewable resources? (minerals, fossil beds).
		reduce local air quality through generating dust, burning of wastes or using fossil fuels and other materials in improperly ventilated areas?
		restrict customary access to natural resources?

2. Ecosystems and Biodiversity

YES	NO	Will the activities....
		drain wetlands, harvest wetland plant materials or utilize wetland sediments?
		lead to the clearing of forestlands for agriculture, the over-harvesting of valuable forest species, or promote in-forest bee keeping?
		lead to increased hunting, or the collection of animals or plant materials?
		increase the risks to endangered or threatened species?
		introduce new exotic species (flora and fauna) to the area?
		lead to road construction or rehabilitation, or otherwise facilitate access to fragile areas (natural woodlands, wetlands, erosion-prone areas).

3. Agricultural and Forestry Production

YES	NO	Will the activities....
		have an impact on existing or traditional agricultural productions systems by reducing seed availability or reallocating land for other purposes?
		lead to forest plantation harvesting without replanting, the burning of pastureland, or a reduction in fallow periods).
		affect existing food storage capacities by reducing food inventories or encouraging the incidence of pests?
		affect domestic livestock by reducing grazing areas, or creating conditions where livestock disease problems could be exacerbated?
		involve the use of pesticides?

4. Community and Social Issues

YES	NO	Will the activities....
		have a negative impact on potable water supplies?
		encourage domestic animal migration through natural areas?
		change the existing land tenure system?
		have a negative impact on culturally important sites in the community?
		increase in-migration to the area, which would put a strain on the existing natural resource base?
		create conditions that lead to a reduction in community health standards?
		lead to the generation of non-biodegradable waste?

ANNEX 5

GUIDELINES FOR ENVIRONMENTAL REVIEW

This should be a short text (1-2 pages) that addresses the potential environmental impact of a particular activity. The following is a list of key points that should be addressed in this review.

- **Activity Description** (restate the activity in one or two lines as it is written in the proposal)
- **Environmental Situation.** Provide any baseline information (if any) that adds to "No. 5, Environmental Situation and Natural Resource Management Issues, 13.0 Description of Project". If no additional information exists, simply state "see no. 5, section 13.0".
- **Evaluation of Activity with Respect to the Potential Environmental Impact.** This should include any potential impacts that may occur because of the activity in question. Any direct or indirect effects should be noted here. The positive impacts of the activity to the natural resource base should also be mentioned here as well.
- **Environmental Mitigation Actions.** Explain measures that may be needed to avoid, reduce, rectify or compensate for any potential negative impacts. This should also include information of how the effectiveness of the mitigating actions would be monitored during the life of the grant.
- **Other Issues.** Any other issue (if any) should be mentioned here.

Drafted by: _____ Date:
(Grantee)

Reviewed by: _____ Date:
(COMPASS staff)

Cleared by: _____ Date:
(Mission EO)

ANNEX 6

SAMPLE FORMAT FOR FINANCIAL RECORD KEEPING

(1) BANK LEDGER

Ref.	Date	Cheque No.	Description	Amount In (MK)	Amount Out (MK)	Account Balance (MK)	Notes
	1 Jan 00		Opening balance at beginning of the year			250,000.00	Money in the bank at the start of the project
1	6 Jan 00	098651	Purchase of nursery equipment		50,000.00	200,000.00	Bought w/barrows, hoes, w/cans, polythene tubes, etc
2	7 Jan 00	098652	Petty cash		10,000.00	190,000.00	Kept by the Treasurer
3	10 Jan 00	098653	Training at Lunzu R.T.C.		60,000.00	130,000.00	Details of expenditure with the Secretary
4	15 Jan 00		Bank charges		65.00	129,935.00	
5	20 Jan 00	098654	Construction of fish ponds		100,000.00	29,935.00	Used manual labor for the digging, 85 workers employed
6	25 Jan 00	014326	2 nd Tranche	100,000.00		129,935.00	From COMPASS
7	3 Feb 00	098655	Field tour to the Makanganya		29,935.00	100,000.00	Twenty members participated
8	5 Feb 00	098656	Wages for Patrolmen		6,000.00	94,000.00	Eight patrolmen employed
9	6 Feb 00	098657	Purchase of fish pond material		75,000.00	19,000.00	Details of items purchased with the Secretary

(2) PETTY CASH VOUCHER

Date.....27th June 2000.....

Details of Expenditure	MK	t
<i>Refund of transport expenses to Mr. Umphawi who traveled to Blantyre COMPASS offices on project work</i>	250	09

Authorized by...K. J. Madalo Received byA. C. Umphawi.....

Folio Debit.....

COMPASS Small Grants Program

FORM 1: PROGRESS REPORT OF PROJECT IMPACT INDICATORS

Project Title:_____

Name of Organization:_____

Reporting Officer/Title:_____ **Reporting Period: from** _____ **to** _____

List all indicators and indicate those that have been achieved during this reporting period and to-date

Objectives	Performance and Impact Indicators	Achieved this Period (Y/N)	Achieved to-date (Y/N)	Comments

COMPASS Small Grants Program

FORM 2: FINANCIAL REPORT

Reporting Officer/ Title:_____

Budget Item	Total Grant (MK)	Sum spent since start of project to last reporting period (MK)	Sum spent during this reporting period (MK)	Cumulative Amount (MK)	Remaining Balance (MK)	Remarks
TOTALS						

Total interest earned on cash advance to date: MK _____

COMPASS Small Grants Program

FORM 3: ASSET/STOCK REPORT

Reporting Officer/Title:_____

[illegible]

COMPASS Small Grants Program

FORM 4: CASH ADVANCE REQUEST FORM

Reporting Officer/Title: _____

1. Amount of Last Advance and Date: _____

2. Cash on Hand: _____

3. Total Amount Required for the Next Period: _____

4. Amount of Cash Advance Required: _____

5. Total Value of Grant: _____

6. Total Disbursements to Date: _____

7. Interest Earned on Cash Advances to Date: _____

8. Bank Details

Name of Bank: _____

Branch: _____

Account No.: _____

Phone No.: _____

Fax No.: _____

COMPASS Small Grants Program

FORM 5: PAYMENT VOUCHER

Reporting Officer/Title: _____

Voucher No. _____

Cheque No. _____

Date: _____

Invoice	Date	Details for Payment and other Comments	Kwacha	Tambala

Prepared By: _____

Cheque Signed By: _____

Cheque Signed By: _____

Initialed By: _____ (Project Director)